



PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES

QUARTER

Let's talk about...

'Financial Capability'



**Making \$ense of Finance
in Philadelphia**

**Compliance 2019
Conference Update**

**New Program Launched
for Students**



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Stay informed! Join our list to start receiving *The Quarter*



The department has a robust **online library** of publications and reports on a variety of financial topics. We encourage you to read, print, and share all of our publications.



SECRETARY ROBIN L. Wiessmann • dobssecretary@pa.gov

• • • Let's Talk About Financial Capability

“Financial Capability” is a phrase that is used a lot with reference to measuring the abilities of consumers to manage their financial lives. But what exactly does it mean to be financially capable?

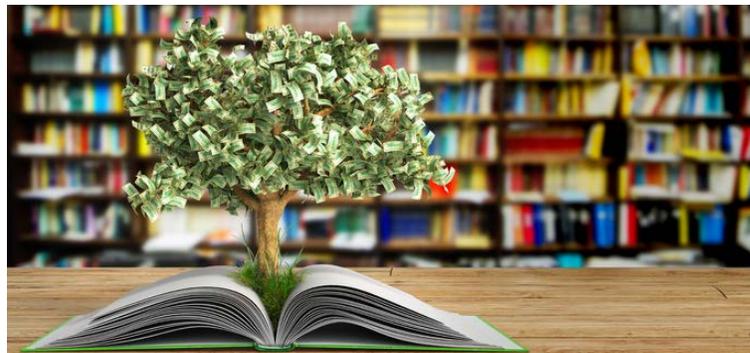
Financial capability cannot be measured by a sole factor. Instead, it requires a more comprehensive analysis of an individual’s skill sets, knowledge base, and behaviors as they relate to their finances.

The FINRA Investor Education Foundation – in conjunction with the U.S. Treasury, other federal agencies, and the Advisory Council on Financial Capability – has commissioned a series of national studies over the past 10 years to gauge the financial capability of American adults. The first was conducted in 2009, and subsequent studies have focused on a number of indicators of financial capability, such as the ability to manage financial resources, make financial decisions, plan for the future, and use and manage various financial products.

The **2015 FINRA study** showed that a majority of Pennsylvania adults – 66 percent – were only able to answer three or fewer out of five basic economic and financial questions encountered in everyday life. These questions were on topics such as the impact a shorter term can have on total interest payments on a mortgage, inflation, and compound interest. Having a basic level of understanding of financial concepts can help individuals make better decisions when it comes to their finances.

The study also showed that less than half of Pennsylvanians have a “rainy day” fund – the equivalent of three months’ worth of expenses – to cover emergencies. Having emergency funds on hand allows you to “weather the storm” if you suddenly lose your job or suffer a health or family crisis.

I think part of the key to ensuring financial capability is to start when consumers are young. Equipping high school and college students – and even younger children with critical financial knowledge early in their lives, and continuing and reinforcing those lessons throughout adulthood, is vital and the is the driving motivation behind a new program by the Department of Banking and Securities.





This program – the “FinLit Forum” – was borne out of collaboration among state partners including the Department of Banking and Securities, the Pennsylvania Insurance Department, PHEAA, and the Office of Attorney General. These partners share the common goal of improving financial literacy among young people. Investor Outreach Coordinator Katrina Boyer played a large role in getting this program off the ground after hearing some of the consumer complaints being fielded by our Consumer Services Office.

As April and National Financial Capability Month come to a close, it is important for each of us to evaluate our own level of financial capability and commit to learn, grow, and make better decisions where we can.

If you are in search of resources or simply don’t know where to begin, the department has a number of free **publications** to help you become more well-informed. If you are curious about your financial literacy and capability, test yourself **here**. You can also attend one of our free consumer outreach and investor education **events** in your area (or have your organization **host a program**).



Investor Outreach Coordinator, Katrina Boyer, presenting at the “FinLit Forum” at Lansdale Catholic High School in March.



• • • The Secretary Speaks with Chairman Powell and Bankers

Left: Secretary Wiessmann speaks to Federal Reserve Chairman Jay Powell during a recent trip to Washington D.C.

Right: Secretary Wiessmann speaks with attendees during the PA Bankers Association Women in Banking Conference on March 4 in Hershey.



COMPLIANCE 2019

STATEWIDE SECURITIES CONFERENCE

• • • Compliance 2019 Sessions Announced

Building on the success of its 2017 program, the Department of Banking and Securities will be hosting its biennial conference designed to keep investment professionals and their firms up-to-date on changes to federal and state securities laws and regulations. The conference will be held at the Radisson Hotel Harrisburg, 1150 Camp Hill Bypass in Camp Hill on **October 17**.

The sessions for Compliance 2019 will be:

- **What to Expect from an Investment Adviser Exam**
- **Enforcement and Regulatory Update**
- **Technology and Regulation, “Some Observations About Trends and Changes”**
- **Due Diligence for Alternative Products**
- **Anti-Money Laundering, Financial Crimes and Fraud Trends**
- **Senior\$afe: Preventing Financial Exploitation of the Elderly**

More details about the sessions can be found on the DoBS **website**. Questions can be sent to compliance2019@pa.gov





OUTREACH Spotlight



Education and outreach staff from the department will be meeting with groups of senior citizens, students and teachers, veterans, service providers, and the public throughout the month of May. Highlights include:

A series of events with the Pocono United Way will be held at the Hughes Public Library, 1004 N. Ninth Street in Stroudsburg (Monroe County)

- Spending Plans: The Fast Road to Financial Success on May 2 from 5:30 PM to 6:30 PM
- Cybersecurity: Keeping Yourself Safe Online on May 2 from 6:30 PM to 7:30 PM
- Fraud BINGO on May 2 from 7:30 PM to 8:30 PM
- Avoiding Scams and ID Theft and Fraud BINGO on May 5 from 9:30 AM to 11:30 AM

Legislative senior expos

- Rep. Thomas L. Mehaffie's Senior Expo at the Hummelstown Chemical Fire Department, 249 E. Main Street in Hummelstown (Dauphin County) on May 3 from 9:00 AM to 2:00 PM
- Reps. Peter Schweyer and Mike Schlossberg Senior Fair at East Side Youth Center, 1140 E. Clair Street in Allentown (Lehigh County) on May 17 from 10:00 AM to 2:00 PM

Cybersecurity: Keeping Yourself Safe Online

- PA CareerLink Montgomery County, 1855 New Hope Street in Norristown (Montgomery County) on May 1 from 10:30 AM to 11:30 AM
- PA CareerLink Greene County, 200 Greene Plaza in Waynesburg (Greene County) on May 15 from 10:00 AM to 11:00 AM
- PA CareerLink Mon Valley, 570 Galiffa Drive in Donora (Washington County) on May 15 from 1:00 PM to 2:00 PM
- PA CareerLink Butler County, 112 Hollywood Drive, Suite 203 in Butler (Butler County) on May 16 from 1:30 PM to 2:30 PM
- Hope Eternal UMC, 2 Bud Road in Newport (Perry County) on May 16 from 5:30 PM to 6:30 PM

Fraud BINGO

- Pleasant Valley Manor, 4225 Manor Drive in Stroudsburg (Monroe County) on May 7 from 2:00 PM to 3:00 PM
- Allegheny Senior Center, 1900 West Allegheny Avenue in Philadelphia on May 28 from 10:30 AM to 11:30 AM

Avoiding Scams and ID Theft

- PA CareerLink Butler County, 112 Hollywood Drive, Suite 203 in Butler (Butler County) on May 16 from 11:00 AM to 12:00 PM
- Hope Eternal UMC, 2 Burd Road in Newport (Perry County) on May 16 from 3:00 PM to 4:00 PM

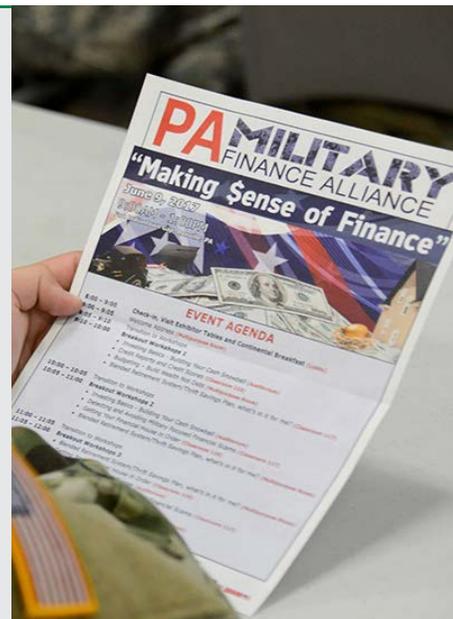
• • • Military, Vets Financial Conference May 18th

Members of the military, veterans, and their families are invited to the "Making \$ense of Finance" conference at Triumph Baptist Church, 1648 W. Hunting Park Avenue in Philadelphia on May 18 from 10:00 AM to 1:00 PM.

The conference is designed specifically to address the distinctive financial and investing challenges faced by members of the military, veterans, and their families and will feature sessions on saving and investing, credit reports and scores, developing a spending plan, and avoiding financial fraud.

It is made possible through the Pennsylvania Military Finance Alliance, a cooperative effort of the PA Department of Military and Veterans Affairs, the PA Department of Banking and Securities, the PA Office of Attorney General, Pennsylvania Military OneSource, Better Business Bureau, USO of Pennsylvania and Southern New Jersey, Army Community Service, PA National Guard, and Advantage Credit Counseling Services. The event is made possible by a grant from the Veterans' Trust Fund.

The program is FREE to members of the military, veterans, and their spouses and partners. Complimentary parking, as well as continental breakfast and lunch will be provided. Liberty USO will be awarding raffle prizes to those attending the conference. Space is limited. Registration and conference information are available [here](#).





• • • **Wiessmann Honored with Lifetime Achievement Award**

Secretary Wiessmann was honored with a Lifetime Achievement Award as part of the Philadelphia Inquirer's 2019 Influencers of Finance Awards.

Honorees are those who have molded, changed, and transformed the financial industry, representing such categories as investment banking, money management, minority-owned finance leaders, and women-owned finance leaders.

Regarded as a pioneer in the finance industry, she was recognized for a Lifetime Achievement Award for her expansive career, including commercial banking, investment banking, and regulatory matters, in addition to her public service as former Treasurer of Pennsylvania and current Secretary of the Department of Banking and Securities. Among her many accomplishments, Wiessmann put a large crack in the glass ceiling as a Founding Principal and President of Artemis Capital Group, the first women-owned investment banking firm on Wall Street.

Additional information about Wiessmann can be found [here](#). A full list of honorees can be found [online](#).



Secretary Wiessmann and Patricia Hasson, President and Executive Director of Clarifi, were honored during the Philadelphia Inquirer's Influencers of Finance Awards on February 28 in Philadelphia.

• • • **New Program Launched for Students**

On April 19, Secretary Wiessmann and representatives from the Pennsylvania Insurance Department, PHEAA, and the Pennsylvania Office of the Attorney General gathered at the Capitol to announce a new financial literacy program for high school and college students.

The "FinLit Forum" is a conference-style program that provides students with critical financial knowledge to be successful in the next stages of their lives.

"This program is a primary example of how the spark of an idea, when met with supportive partnerships, can ignite into a more robust, collaborative effort," said Wiessmann. "I am pleased that we – in pursuit of a common goal – are able to work together to help teens and young adults face their financial challenges."

The program addresses many "real life" financial issues of young people, including:



- Banking Basics
- Introduction to Budgeting
- Understanding Credit Reports and Scores
- Scams and Identity Theft
- Insurance101
- Financial Aid



Lansdale Catholic High School President James Casey, Lisa Polk, a teacher from Lansdale Catholic High School, and several students who attended the inaugural "FinLit Forum" held last month, were present to lend support to the program.

Schools interested in offering this free program to their students can contact Katrina Boyer, the department's Investor Education Coordinator, at 717.214.5565 or katrboyer@pa.gov.

Cybersection

SAFETY AND SECURITY



• • • NIST Launches Cybersecurity Website for Small Biz

The National Institute of Standards and Technology (NIST), part of the U.S. Department of Commerce, has a broad mission focused on promoting innovation and industrial competitiveness. NIST has released their **Small Business Cybersecurity Corner** that offers cybersecurity guidance, solutions, and training resources for small businesses in a single place.

The website is broken down into the following sections:

- **Cybersecurity Basics**
- **Planning Guides**
- **Guidance by Topic**
- **Responding to a Cyber Incident**
- **Training**
- **Contributor Directory**
- **FAQ**
- **Blog**

All of the resources provided are free and expected to be updated and expanded on a regular basis. The website does not provide operational assistance to companies, but does provide contact information for federal agencies and non-profits that can offer assistance.

To contact someone from the NIST Small Business Team, email smallbizsecurity@nist.gov.

• • • State Regulators Appeal to Congress on Marijuana Banking Fix

A coalition of financial regulators from 24 states and territories including Pennsylvania **sent a letter** asking Congressional leaders to consider legislation that creates a safe harbor for financial institutions to serve businesses operating legally under state law or entrusts states with the full oversight and jurisdiction of marijuana-related activity.

“A majority of states now have medical marijuana programs and it has become increasingly necessary to craft policy to respond to emerging challenges in this rapidly growing industry,” said Wiessmann.

“Establishing a safe harbor for banks to serve these entities would help reduce the risk associated with large cash-and-carry operations and bring the safeguards, activities, and sales associated with this business into the regulatory reporting compliance framework.”

The regulators cite a lack of clarity by the federal government for how financial institutions can serve this industry, without the threat of forfeiture of assets or criminal penalties, which results in many transactions occurring in cash. They shared their concerns with respect to public safety, increased difficulty of tracking the flow of funds, and contributions to a loss of economic activity, workforce development, and community development opportunities.

In late March, the House Financial Services Committee reported out the SAFE Banking Act of 2019 with bipartisan support. The bill would allow financial institutions to serve state compliant marijuana-related businesses and require federal banking agencies to issue regulatory guidance.





• • • PA Students Top List in Bank Study Competition

A record-setting 18 teams from 13 Pennsylvania colleges and universities will be competing in the 2019 Conference of State Bank Supervisors (CSBS) Community Bank Case Study Competition.

The **Community Bank Case Study Competition** is open to undergraduate students in all fields of study as an opportunity to gain valuable first-hand knowledge of the banking industry. This year, each student team will research how the federal Economic Growth, Regulatory Relief, and Consumer Protection Act (S.2155) passed in May 2018 will impact community banks and the markets they serve.

Pennsylvania is represented by the following schools and bank partners:

1. **Bloomsburg University** (Bloomsburg, Columbia County), working with Mid Penn Bank
2. **Cabrini University** (Radnor, Delaware County), working with Hyperion Bank and The Bryn Mawr Trust Company (2 teams)
3. **California University of Pennsylvania** (California, Washington County), working with Mars Bank
4. **Immaculata University** (Malvern, Chester County), working with First Resource Bank and The National Bank of Malvern (2 teams)
5. **Juniata College** (Huntingdon, Huntingdon County), working with Kish Bank
6. **Kutztown University** (Kutztown, Berks County), working with New Tripoli Bank
7. **Mansfield University** (Mansfield, Tioga County), working with Citizens & Northern Bank
8. **Moravian College** (Bethlehem, Northampton County), working with Lafayette Ambassador Bank
9. **Muhlenberg College** (Allentown, Lehigh County), working with QNB Bank (2 teams)
10. **Temple University** (Philadelphia), working with Penn Community Bank
11. **University of Pittsburgh at Johnstown** (Johnstown, Cambria County), working with Somerset Trust Company and 1st Summit Bank (2 teams)
12. **Ursinus College** (Collegeville, Montgomery County), working with Victory Bank
13. **York College of Pennsylvania** (York, York County), working with York Traditions Bank and Fulton Bank (2 teams)



The student teams are competing for an academic scholarship, a chance for to get their work published in an academic journal and an opportunity to attend the annual CSBS-Federal Reserve Community Banking Research Conference, held in St. Louis this October.

Save-the-Date!

August 19-23, 2019
Lancaster PA Metro Area

Attending the Next Generation Bankers Academy is a great opportunity to prepare for an internship and, ultimately, a career in banking or bank supervision.

Interested in a career in banking?



NEXT

▶ **GENERATION**
BANKERS ACADEMY





• • • **Department, Attorney General Announce \$240,000 to Non-Profit Organizations**

The remaining \$240,000 from a 2006 payday lending lawsuit was distributed earlier this year to four non-profit credit counseling services to help educate Pennsylvanians about financial planning and counseling.

In 2006, the department filed a lawsuit against NCAS of Delaware, LLC, which did business as Advance America Cash Advance Centers, and Advance America Cash Advance Centers, Inc. for violations of the Consumer Discount Company Act.

A restitution fund was created for the company's customers. The Commonwealth Court allowed the department and Pennsylvania Attorney General to distribute funds remaining after all eligible restitution was paid with four charitable organizations to educate and protect Pennsylvanians.

The four organizations each receiving \$62,021 are:

- Tabor Community Services, Inc.
- Credit Counseling Center
- Advantage Credit Counseling Service, Inc.
- Consumer Credit Counseling Services of Delaware Valley d/b/a Clarifi



• • • **Save the Date – Leverage Lending and Investments for Nonprofits and Communities (LINC) Exchange**

On June 11, the Federal Reserve Bank of Philadelphia will host its LINC exchange at the Lancaster Chamber of Commerce. Community banks operating in Lancaster, York, and Dauphin are invited to attend and hear presentations from nonprofits on potential projects for bank partnership.

LINC, a program of the Philadelphia Fed, is designed to build nonprofit knowledge and capacity regarding the Community Reinvestment Act (CRA) and to facilitate relationship-building between Third District community development organizations and community banks.

To learn more about the program, visit the [Philadelphia Fed's website](#).



In recognition of April as Financial Capability Month, the department has been working with the PA Emergency Management Agency to share information on **how to be prepared financially** for a disaster or emergency. As you look for other ways to be prepared throughout the year, consider helping to protect your community, too.

In the 1980s, it was estimated the number of volunteer firefighters in the Commonwealth of Pennsylvania was over 300,000. That number has steadily decreased to a point some say the volunteer fire service is in crisis mode. Today, the number of volunteer firefighter force is estimated to be below 30,000. Even though the number of fires has decreased, the request for the fire department has increased. Not only do fire departments respond to fires, but they are now being summoned to medical emergencies, vehicle accidents, trees and wires down. There was a time when a fire department answering 100 calls per year was considered "busy." Now, there are fire departments answering 100 calls a month with very few fire departments answering 100 calls per year.

Being a member of a volunteer fire department does not mean that you must gear up to fight fires or answer any of the incident types. There are administration positions available in all fire departments that need filled. One can serve as a secretary for the company's records, handle the finances, assist with fundraising efforts or show up to help clean around the firehouse. Any help would be greatly appreciated as today's volunteer firefighter typically tends to hold or do more than one position, so the fire department can remain open.

How can you get started? Contact your local fire department to find out how you can be involved.





COMPLIANCE CORNER

Compliance



2nd Quarter 2019 • Enforcement Orders ●●●

The Department of Banking and Securities issued 22 enforcement orders during the first quarter of 2019. Fines and assessments for these orders totaled **\$379,625**, with an additional **\$682,660.35** in restitution to be paid to Pennsylvania consumers, including:

- Twelve Consent Agreement and Orders and two Orders to Cease and Desist issued for violations of the Debt Settlement Services Act;
- Three Consent Agreement and Orders and one Order to Show Cause issued for violations of the Pennsylvania Securities Act of 1972;
- Two Consent Agreement and Orders issued for violations of the Consumer Credit Code;
- One Consent Agreement and Order for violations of the Mortgage Licensing Act; and
- One Consent Agreement and Order issued for violations of the Money Transmitter Act.

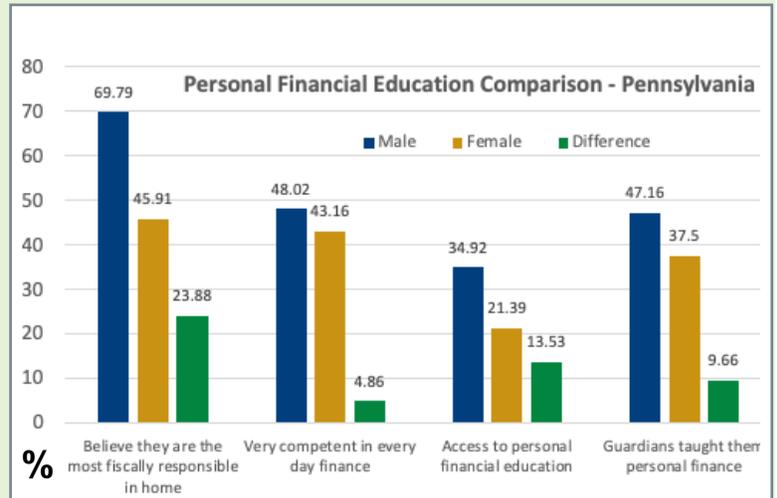
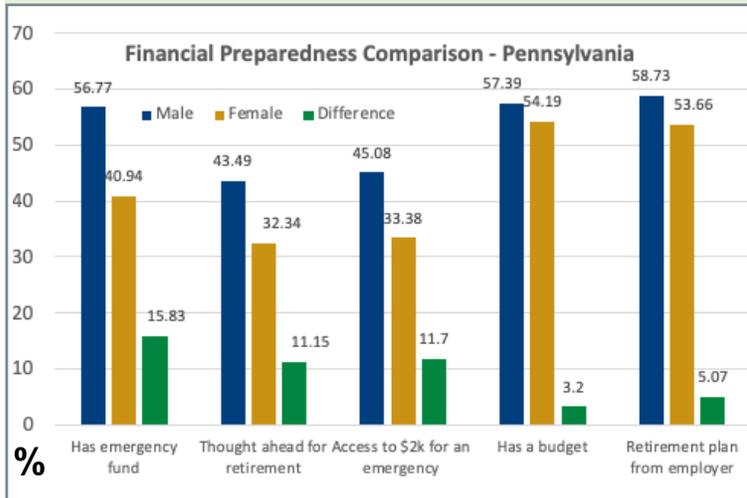
Comprehensive lists of enforcement orders administered by the Department of Banking and Securities are available online at dobs.pa.gov. Anyone can ask questions or file complaints concerning financial products or services by calling **1.800.PA.BANKS** (or 800.600.0007) or clicking ([here](#)).



INDUSTRY DATA | TRENDS | STATS

Research

“Pennsylvania Women are Financially Underprepared and Undereducated” ●●●



Source: FINRA Foundation